

THE DIRECTOR OF  
CENTRAL INTELLIGENCE

*Reams*  
*Chrono*

National Intelligence Council

11 December 1984

NOTE FOR: Robert M. Gates  
C/NIC

FROM: David B. Low  
NIO/AL

SUBJECT: Attached Summary Paper of  
Accomplishments

Attached is the summary requested  
at this morning's staff meeting.

\*David B. Low

### LDC Debt

1984 was a watershed year for the LDC debt crisis. Several large debtors established programs for refinancing their debt coupled with tough austerity measures under IMF programs to put foreign and domestic accounts in order. Overall, it appears that the case by case approach to dealing with the crisis has worked and, given proper conditions, can maintain stability in the international financial system.

The NIC worked closely with CIA and the other members of the Community to help put the debt crisis in political/economic perspective. In addition to producing several ad hoc memoranda such as "The Debt Problem Revisited" which was prepared by the NIO/Econ for senior policy officials, the NIC oversaw production of a major Estimate, "The Political Repercussions of the Debt Crisis in Major LDCs." The Estimate reviewed the current situation and contained economic sensitivity analysis of the potential for a successful resolution of the debt crisis in major debtor countries.